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# Conference on the World Financial and Economic Crisis and Its Impact on Development

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**General debate on the world financial and economic crisis and its impact on development: consideration of the draft outcome of the Conference**

## Draft outcome document of the Conference

### Note by the President of the General Assembly

By General Assembly resolution 63/277 of 7 April 2009, the President of the Assembly was requested to present in a timely manner a draft text based upon all preparatory inputs to serve as the basis for an outcome document of the Conference, to be agreed by the Member States. The text of the draft outcome document of the Conference, as prepared on the basis of informal consultations which were chaired by the co-facilitators, Frank Majoor (Netherlands) and Camillo Gonsalves (Saint Vincent and the Grenadines), is hereby transmitted to the Conference for its consideration.

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# Draft outcome document of the Conference on the World Financial and Economic Crisis and its Impact on Development

We, Heads of State and Government and High Representatives, met in New York from 24 to 26 June 2009 for the United Nations Conference on the World Financial and Economic Crisis and Its Impact on Development,

1. The world is confronted with the worst financial and economic crisis since the Great Depression. The evolving crisis, which began within the world's major financial centres, has spread throughout the global economy, causing severe social, political and economic impacts. We are deeply concerned with its adverse impact on development. This crisis is negatively affecting all countries, particularly developing countries, and threatening the livelihoods, well-being and development opportunities of millions of people. The crisis has not only highlighted long-standing systemic fragilities and imbalances, but has also led to an intensification of efforts to reform and strengthen the international financial system and architecture. Our challenge is to ensure that actions and responses to the crisis are commensurate with its scale, depth and urgency, adequately financed, promptly implemented and appropriately coordinated internationally.

2. We reaffirm the purposes of the United Nations, as set forth in its Charter, including "to achieve international cooperation in solving international problems of an economic, social, cultural, or humanitarian character" and "to be a centre for harmonizing the actions of nations in the attainment of these common ends". The principles of the Charter are particularly relevant in addressing the current challenges. The United Nations, on the basis of its universal membership and legitimacy, is well positioned to participate in various reform processes aimed at improving and strengthening the effective functioning of the international financial system and architecture. This United Nations Conference is part of our collective effort towards recovery. It builds on and contributes to what already is being undertaken by diverse actors and in various forums, and is intended to support, inform and provide political impetus to future actions. This Conference also highlights the importance of the role of the United Nations in international economic issues.

3. Developing countries, which did not cause the global economic and financial crisis, are nonetheless severely affected by it. The economic and social progress achieved during recent years, in particular on internationally agreed development goals, including the Millennium Development Goals, is now being threatened in developing countries, particularly least developed countries. This progress, partially underpinned by a period of high economic growth in many countries, needs to be secured and enhanced in the face of threats posed by the crisis. Our endeavours must be guided by the need to address the human costs of the crisis: an increase in the already unacceptable number of poor and vulnerable, particularly women and children, who suffer and die of hunger, malnutrition and preventable or curable disease; a rise in unemployment; the reduction in access to education and health services; and the current inadequacy of social protection in many countries. Women also face greater income insecurity and increased burdens of family care. These particular human costs have serious developmental consequences on the human

security of those affected. An equitable global recovery requires the full participation of all countries in shaping appropriate responses to the crisis.

4. Although the financial and economic crisis has affected all countries, it is important to take into account the varying impacts and challenges of the crisis on the different categories of developing countries. The crisis is further endangering the achievement of their national development objectives, as well as the internationally agreed development goals, including the Millennium Development Goals. We are particularly concerned about the impact on countries in special situations, including least developed countries, small island developing States and landlocked developing countries, and on African countries and countries emerging from conflict. We are equally concerned about the specific development challenges of middle-income countries and low-income countries with vulnerable and poor populations. For all these countries, the crisis presents unique challenges to their efforts to achieve their national development goals. Our collective responses to this crisis must be made with sensitivity to the specific needs of these different categories of developing countries, which include trade and market access; access to adequate financing and concessionary financing; capacity-building; strengthened support for sustainable development; financial and technical assistance; debt sustainability; trade facilitation measures; infrastructure development; peace and security; the Millennium Development Goals; and our previous international development commitments.

5. Peace, stability and prosperity are indivisible. In today's globalized economy, all nations are far more closely tied together than ever before. The global reach of the crisis calls for prompt, decisive and coordinated action to address its causes, mitigate its impact and strengthen or establish the necessary mechanisms to help prevent similar crises in the future.

6. This Conference represents a milestone in an ongoing and concerted engagement by all States Members of the United Nations to address the crisis and its impact on development. Today, we have set forth our global consensus on the responses to this crisis, prioritized required actions and defined a clear role for the United Nations. We are doing so in the interest of all nations in order to achieve a more inclusive, equitable, balanced, development-oriented and sustainable economic development to help overcome poverty and inequality.

## Present state of the world economy

7. This crisis is connected to multiple, interrelated global crises and challenges, such as increased food insecurity, volatile energy and commodity prices and climate change, as well as the lack of results so far in the multilateral trade negotiations and a loss of confidence in the international economic system. The global economic downturn is deeper than many early estimates, and the recovery is predicted to be gradual and varied. While some countries still experience positive, though much slower growth, the latest estimate of the United Nations indicates that world gross product will fall by 2.6 per cent in 2009, the first such decline since the Second World War. The crisis threatens to have calamitous human and development consequences. Millions of people all over the world are losing their jobs, their income, their savings and their homes. The World Bank estimates that more than 50 million people have already been driven into extreme poverty, particularly

women and children. The Food and Agriculture Organization of the United Nations projects that the crisis will contribute to the number of hungry and undernourished people worldwide rising to a historic high of over one billion.

## Impacts of the crisis

8. The crisis has produced or exacerbated serious, wide-ranging yet differentiated impacts across the globe. Since the crisis began, many States have reported negative impacts, which vary by country, region, level of development and severity, including the following:

- Rapid increases in unemployment, poverty and hunger
- Deceleration of growth, economic contraction
- Negative effects on trade balances and balance of payments
- Dwindling levels of foreign direct investment
- Large and volatile movements in exchange rates
- Growing budget deficits, falling tax revenues and reduction of fiscal space
- Contraction of world trade
- Increased volatility and falling prices for primary commodities
- Declining remittances to developing countries
- Sharply reduced revenues from tourism
- Massive reversal of private capital inflows
- Reduced access to credit and trade financing
- Reduced public confidence in financial institutions
- Reduced ability to maintain social safety nets and provide other social services, such as health and education
- Increased infant and maternal mortality
- Collapse of housing markets.

## Causes of the crisis

9. The drivers of the financial and economic crisis are complex and multifaceted. We recognize that many of the main causes of the crisis are linked to systemic fragilities and imbalances that contributed to the inadequate functioning of the global economy. Major underlying factors in the current situation included inconsistent and insufficiently coordinated macroeconomic policies and inadequate structural reforms, which led to unsustainable global macroeconomic outcomes. These factors were made acute by major failures in financial regulation, supervision and monitoring of the financial sector, and inadequate surveillance and early warning. These regulatory failures, compounded by over-reliance on market self-regulation, overall lack of transparency, financial integrity and irresponsible behaviour, have led to excessive risk-taking, unsustainably high asset prices,

irresponsible leveraging and high levels of consumption fuelled by easy credit and inflated asset prices. Financial regulators, policymakers and institutions failed to appreciate the full measure of risks in the financial system or address the extent of the growing economic vulnerabilities and their cross-border linkages. Insufficient emphasis on equitable human development has contributed to significant inequalities among countries and peoples. Other weaknesses of a systemic nature also contributed to the unfolding crisis, which has demonstrated the need for more effective government involvement to ensure an appropriate balance between the market and public interest.

## Response to the crisis

10. We are all in this crisis together. While each country has primary responsibility for its own economic and social development, we will continue to work in solidarity on a vigorous, coordinated and comprehensive global response to the crisis in accordance with our respective abilities and responsibilities. Developed countries and emerging markets have taken the lead in restoring global growth. An immediate priority has been to stabilize the financial markets and restore confidence in them and counter falling demand and the recession. Major actions have already been taken to maintain macroeconomic stability and strengthen the international financial system. At the same time, strong and urgent actions are needed to counter the impact of the crisis on the most vulnerable populations and help to restore strong growth and recover lost ground in their progress towards our internationally agreed development goals, including the Millennium Development Goals. Therefore, an adequate share of any additional resources — both short-term liquidity and long-term development financing — will need to be made available to developing countries, especially the least developed countries. Although this crisis continues to have a significant impact on the peoples of the world, we believe that it represents an important opportunity for meaningful change. Going forward, our response must focus on creating jobs, increasing prosperity, strengthening access to health and education, correcting imbalances, designing and implementing environmentally and socially sustainable development paths and having a strong gender perspective. It must also strengthen the foundation for a fair, inclusive and sustainable globalization supported by renewed multilateralism. We are confident that we will emerge from this crisis stronger and more vigorous and more united.

## The need for prompt and decisive action

11. We commit to work in solidarity on a coordinated and comprehensive global response to the crisis and undertake actions aimed at, inter alia:

- Restoring confidence and economic growth, and creating full and productive employment and decent work for all
- Safeguarding economic, development and social gains
- Providing adequate support for developing countries to address the human and social impacts of the crisis, in order to safeguard and build upon hard-won economic and development gains to date, including the progress being achieved towards the implementation of the Millennium Development Goals

- Ensuring long-term debt sustainability of developing countries
- Seeking to provide sufficient developmental resources to developing countries without unwarranted conditionalities
- Rebuilding trust in the financial sector and restoring lending
- Promoting and revitalizing open trade and investment and rejecting protectionism
- Fostering an inclusive, green and sustainable recovery, and providing continued support for sustainable development efforts by developing countries
- Strengthening the role of the United Nations development system in responding to the economic crisis and its impact on development
- Reforming and strengthening the international financial and economic system and architecture, as appropriate, to adapt to current challenges
- Fostering good governance at all levels, including the international financial institutions and financial markets
- Addressing the human and social impacts of the crisis.

## Lines of action

### Make the stimulus work for all

12. In attempting to combat the immediate impacts of the crisis, there have already been a number of responses at the national, regional and international levels. While acknowledging those efforts, we encourage greater cooperation and coordination among countries' fiscal and economic actions. Support for development is an essential and integral part of the solution to the global crisis, inter alia through actions aimed at enhancing sustained economic growth, poverty eradication and sustainable development. We encourage countries, while implementing national stimulus measures, to avoid protectionism in any form and possible adverse impacts on third countries, particularly developing countries.

13. We encourage countries in a position to do so to utilize the room for fiscal stimulus that they possess, while also ensuring long-term fiscal sustainability. We also encourage individual countries to tailor their responses to their specific circumstances and use the available scope for domestic resource mobilization.

14. While a number of developed and emerging market economies have implemented stimulus packages, the majority of the world's developing countries lack fiscal space to implement countercyclical measures to combat the effects of the crisis and spur recovery. Many also face foreign exchange shortages. In order to adequately respond to the crisis, developing countries will need a larger share of any additional resources — both short-term liquidity and long-term development financing. We call for examination of mechanisms to ensure that adequate resources are provided to developing countries, especially the least developed countries. We underscore that developing countries should not be unduly financially burdened by the crisis and its impacts.

15. Developing countries facing an acute and severe shortage of foreign reserves because of the fallout of the crisis, which is negatively affecting their balance-of-

payment situation, should not be denied the right to use legitimate trade defence measures in accordance with relevant provisions of the World Trade Organization (WTO), and, as a last resort, impose temporary capital restrictions and seek to negotiate agreements on temporary debt standstills between debtors and creditors, in order to help mitigate the adverse impacts of the crisis and stabilize macroeconomic developments.

16. We acknowledge the G20 summit held in London on 2 April 2009, and recognize its commitment to make available an additional $1.1 trillion programme aimed at revitalizing the world economy. A major part of these funds will be available for use by emerging markets and developing countries. A limited share ($50 billion) of these resources was targeted specifically to low-income countries. We call upon the G20 to further consider addressing the financial needs of developing countries, especially low-income countries. We also call upon all G20 countries to follow through with their commitments and to monitor the implementation of them. While recognizing the decisions taken in the G20, we are resolved to strengthen the role of the United Nations and its Member States in economic and financial affairs, including its coordinating role.

17. Countries must have the necessary flexibility to implement countercyclical measures and to pursue tailored and targeted responses to the crisis. We call for a streamlining of conditionalities to ensure that they are timely, tailored and targeted and support developing countries in the face of financial, economic and developmental challenges. In this context we note the recent improvement of the lending framework of the International Monetary Fund (IMF), through inter alia modernizing conditionality, and the creation of more flexible instruments, such as a flexible credit line, as a welcome step. New and ongoing programmes should not contain unwarranted pro-cyclical conditionalities. We call upon the multilateral development banks to move forward on flexible, concessional, fast-disbursing and front-loaded assistance designed to substantially and quickly assist developing countries facing financing gaps. While doing so, multilateral development banks need to assure the application of agreed safeguards to ensure their financial stability.

18. The increasing interdependence of national economies in a globalizing world and the emergence of rules-based regimes for international economic relations have meant that the space for national economic policy, that is, the scope for domestic policies, especially in the areas of trade, investment and international development, is now often framed by international disciplines and commitments and global market considerations. We recognize that these regimes, disciplines, commitments and considerations have presented challenges to many developing countries seeking to fashion a national response to the financial and economic crisis. We also recognize that many developing countries have called for opportunities to exercise greater policy flexibility within the scope of these constraints as a necessary component of recovery from the crisis and to address specific national concerns, which include, inter alia, the human and social impacts of the crisis, safeguarding progress achieved towards implementation of the Millennium Development Goals, effective use of credit and liquidity facilities, regulation of local financial markets, institutions, instruments and capital flows, and limited trade defence measures. It is for each Government to evaluate the trade-off between the benefits of accepting international rules and commitments and the constraints posed by the loss of policy space.

19. We recognize the continued importance of good governance along with national ownership of policies and strategies. We commit ourselves to the promotion of effective and efficient economic and financial institutions at all levels — key determinants of long-term economic growth and development. We also commit ourselves to accelerate our collective recovery from the crisis through improved transparency, eradication of corruption and strengthened governance. In this regard, we urge all States that have not done so to consider ratifying or acceding to the United Nations Convention Against Corruption and call upon all States parties to vigorously implement the Convention.

20. The crisis has disparate impacts across regions, subregions and countries. These heterogeneous impacts have added complexity to our common goal of eradicating poverty, reducing inequality and promoting human development. Given the sensitivity of regional and subregional institutions to the specific needs of their constituencies, we note the value of regional and subregional cooperation efforts in meeting the challenges of the global economic crisis and we encourage enhanced regional and subregional cooperation, for example, through regional and subregional development banks, commercial and reserve currency arrangements, and other regional initiatives, as contributions to the multilateral response to the current crisis and to improved resilience to potential future crises.

**Contain the effects of the crisis and improve future global resilience**

21. This crisis does not affect only the economic and financial sectors. We recognize the human and social impacts of the crisis and the inherent challenges involved in addressing them. Short-term mitigation measures should take into account long-term goals, especially those related to poverty eradication; sustainable development, including environmental protection and clean and renewable energy; food security; gender equality; health; education; and sustained economic growth, including full and productive employment and decent work for all. Strengthening of existing social safety nets, establishing new ones where needed and protecting social expenditures are important to the advancement of people-centred development and addressing the human and social impacts of the crisis. We reaffirm our commitment to timely achievement of our internationally agreed development goals, including the Millennium Development Goals.

22. Closer cooperation and strong partnership between the United Nations development system, regional development banks and the World Bank and their scaled-up efforts can effectively address the needs of those hardest hit and ensure that their plight is not ignored. We call for the mobilization of additional resources for social protection, food security and human development through all sources of development finance, including voluntary bilateral contributions, to strengthen the foundation for early and sustained economic and social recovery in developing countries, particularly least developed countries. Such additional resources should be channelled through existing institutions such as the United Nations development system, the World Bank-proposed vulnerability fund and framework and multilateral development banks, where appropriate. These funds, including those for the United Nations development system, should be provided on a predictable basis. Furthermore, we stress the importance of the United Nations development system, given its broad field presence, in supporting the activities at country level to mitigate the impact of the crisis in developing countries.

23. We commit ourselves to strengthening the ability of the United Nations to fulfil its development mandate. United Nations funds and programmes and United Nations agencies, in accordance with their respective mandates, have an important role to play in advancing development and in protecting development gains, in accordance with national strategies and priorities, including progress towards achieving the internationally agreed development goals including the Millennium Development Goals, threatened by the current economic crisis. The United Nations should use the current economic situation as an opportunity to redouble its efforts to improve the efficiency and effectiveness of its development programmes in support of system-wide coherence. We recognize the unique role of the United Nations as an inclusive forum to promote a better understanding of the social and economic impact of the crisis and to fashion appropriate responses.

24. We acknowledge that the current economic crisis has the potential to increase the need for resources for humanitarian assistance in developing countries. We stress the need to take measures to ensure adequate resources for international cooperation in the provision of humanitarian assistance.

25. The crisis has severely impacted on international trade in most countries, especially developing countries. For many developing countries, these impacts include, among others, falling exports and loss of export revenue, diminishing access to trade finance, reductions in export-oriented and infrastructure investment, lower fiscal revenues and balance of payments problems. We undertake to resist all protectionist tendencies and rectify any protectionist measures already taken. At the same time we recognize the right of countries to fully utilize their flexibilities consistent with their WTO commitments and obligations. It is important that we contribute to the efforts of WTO and other relevant bodies to monitor and report on protectionist measures, including on how they affect developing countries.

26. We must also fully harness the potential of trade as an engine of sustained economic growth and development in our efforts to overcome this crisis. In this regard, we reaffirm our commitment to a universal, rules-based, open, non-discriminatory and equitable multilateral trading system. We reaffirm that international trade is an engine for development and sustained economic growth. We therefore reiterate our call for an early, ambitious, successful and balanced conclusion to the Doha Round that increases market access, generates increased trade flows and places the needs of developing countries at its centre. We welcome the commitment to implement duty-free and quota-free access for least developed countries, as agreed in the WTO Hong Kong Ministerial Declaration; to make operationally effective the principle of special and differential treatment for developing countries; to the parallel elimination of all forms of export subsidies; to disciplines on all export measures with equivalent effect; to substantial reductions in trade-distorting domestic support, in accordance with the mandate of the Doha Round and the WTO Hong Kong Ministerial Declaration; and to meet existing aid-for-trade pledges. We also reaffirm the need to make progress on the implementation of the WTO work programme on small economies, mandated in the Doha Ministerial Declaration (A/C.2/56/7).

27. Migrant workers are among the most vulnerable in the context of the current crisis. Remittances, which are significant private financial resources for households in countries of origin of migration, have been seriously affected by rising unemployment and weak earnings growth among migrant workers, particularly in

advanced economies. We should resist unfair and discriminatory treatment of migrant workers and the imposition of unreasonable restrictions on labour migration in order to maximize the benefits of international migration, while complying with the relevant national legislation and applicable international instruments. We recognize the important contribution of migrant workers for both countries of origin and destination. We commit ourselves to allowing labour migration to meet labour market needs.

28. An effective response to the current economic crisis requires timely implementation of existing aid commitments. There is an urgent need for all donors to maintain and deliver on their existing bilateral and multilateral official development assistance (ODA) commitments and targets made, inter alia, in the Millennium Declaration, the Monterrey Consensus and the 2005 World Summit Outcome, at the G8 summit in Gleneagles, in the Doha Declaration and at the G20 London Summit. We underline that the fulfilment of all ODA commitments is crucial, including the commitments by many developed countries to achieve the target of 0.7 per cent of gross national product (GNP) for ODA to developing countries by 2015 and to reach the level of at least 0.5 per cent of GNP for ODA by 2010, as well as a target of 0.15 to 0.20 per cent of GNP for ODA to least developed countries. We recognize that many developed countries have established timetables to reach the level of at least 0.5 per cent for ODA by 2010. We encourage other donors to work on national timetables, by the end of 2010, to increase aid levels within their respective budget allocation processes towards achieving the established ODA targets. The full implementation of these commitments will substantially boost the resources available to push forward the international development agenda and to assist developing countries to mitigate and more effectively respond to the crisis in accordance with their national strategies. Donors should review, and if appropriate increase or redirect, their assistance to developing countries to enable them to mitigate and more effectively respond to the crisis in accordance with their national strategies.

29. We emphasize the importance for all development actors to continue to pursue economic and governance reforms and other steps to improve the effectiveness of aid based on the fundamental principles of national ownership, alignment, harmonization and managing for results.

30. We also encourage developing countries in a position to do so to continue to make concrete efforts to increase and make more effective their South-South cooperation initiatives, in accordance with the principles of aid effectiveness. We reiterate our support for South-South cooperation, as well as triangular cooperation, which provide much-need additional resources for the implementation of development programmes.

31. New voluntary and innovative forms of financing can contribute to addressing our global problems. We encourage the scaling up of development finance from existing sources and the establishment, where appropriate, of new voluntary and innovative sources of financing initiatives to provide additional stable sources of development finance, which should supplement and not be a substitute for traditional sources of finance and should be disbursed in accordance with the priorities of developing countries and not unduly burden them. We reiterate our request to the Secretary-General to produce a progress report by the sixty-fourth session of the General Assembly, taking into account all existing initiatives.

32. The crisis must not delay the necessary global response to climate change and environmental degradation, taking into account the principle of common but differentiated responsibilities and respective capabilities. We acknowledge that the response to the crisis presents an opportunity to promote green economy initiatives. In this regard, we encourage the utilization of national stimulus packages, for those countries in a position to do so, to contribute to sustainable development, sustainable long-term growth, promotion of full and productive employment and decent work for all and poverty eradication. It is important that global green initiatives and proposals be inclusive and address sustainable development and environmental challenges and opportunities including climate change mitigation and adaptation, financing and technology transfer to developing countries and sustainable forest management. We also encourage private-sector participation in these initiatives at the national level in accordance with national development strategies and priorities. We look forward to a successful outcome of the fifteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, to be held in Copenhagen in December 2009, as part of our overall efforts for a green recovery from the crisis.

33. The deepening crisis threatens to increase the debt and therefore threatens the debt sustainability of developing countries. This growing pressure limits the ability of these States to enact the appropriate fiscal measures to mitigate the impact of the crisis or engage in development financing. We affirm that the appropriate measures must be taken to mitigate the negative effects of the crisis on the indebtedness of developing States and to avoid a new debt crisis. In that regard, we support making full use of the existing flexibility within the Debt Sustainability Framework.

34. We call upon States to redouble efforts to honour their commitments regarding debt relief and stress the responsibility of all debtors and creditors on the issue of debt sustainability, and emphasize the importance of equivalent treatment of all creditors. Donors and multilateral financial institutions should also increasingly consider providing grants and concessional loans as the preferred modalities of their financial support instruments to ensure debt sustainability. We will also explore enhanced approaches to the restructuring of sovereign debt based on existing frameworks and principles, broad creditors' and debtors' participation and comparable burden-sharing among creditors. We will also explore the need and feasibility of a more structured framework for international cooperation in this area.

35. We recognize that increases in global liquidity play a useful role in overcoming the financial crisis. Therefore, we strongly support and call for early implementation of the new general special drawing right (SDR) allocation of $250 billion. We also call for the urgent ratification of the fourth amendment to the IMF Articles of Agreement of for a special one-time allocation of SDRs, as approved by the IMF Board of Governors in September 1997. We recognize the need for keeping under review the allocation of SDRs for development purposes. We also recognize the potential of expanded SDRs to help increase global liquidity in response to the urgent financial shortfalls caused by this crisis and to help prevent future crises. This potential should be further studied.

36. The crisis has intensified calls by some States for reform of the current global reserve system to overcome its insufficiencies. We acknowledge the calls by many States for further study of the feasibility and advisability of a more efficient reserve system, including the possible function of SDRs in any such system and the

complementary roles that could be played by various regional arrangements. We also acknowledge the importance of seeking consensus on the parameters of such a study and its implementation. We recognize the existence of new and existing regional and subregional economic and financial cooperation initiatives to address, inter alia, the liquidity shortfalls and the short-term balance of payment difficulties among its members.

**Improved regulation and monitoring**

37. The current crisis has revealed many deficiencies in national and international financial regulation and supervision. We recognize the critical need for expanding the scope of regulation and supervision and making it more effective, with respect to all major financial centres, instruments and actors, including financial institutions, credit rating agencies and hedge funds. The need for tighter and more coordinated regulation of incentives, derivatives and the trading of standardized contracts is also apparent. We reject the imposition of needlessly onerous regulatory requirements, and call for effective, credible and enforceable regulations at all levels to ensure the needed transparency and oversight of the financial system. Every relevant institution must be subject to adequate and proportionate surveillance and regulation. We underscore that each country should adequately regulate its financial markets, institutions and instruments consistent with its development priorities and circumstances, as well as its international commitments and obligations. We underscore the importance of political commitment and of capacity-building to ensure that the measures taken are fully implemented.

38. We emphasize the need to ensure that all tax jurisdictions and financial centres comply with standards of transparency and regulation. We reiterate the need to further promote international cooperation in tax matters, including within the United Nations, inter alia by promoting double taxation agreements. Inclusive and cooperative frameworks should ensure the involvement and equal treatment of all jurisdictions. We call for consistent and non-discriminatory implementation of transparency requirements and international standards for exchange of information.

39. Illicit financial flows are estimated to amount to several times global ODA and have a harmful effect on development financing. Measures to enhance regulation and supervision of and transparency in the formal and informal financial system should include steps to curb illicit financial flows in all countries. Improving the transparency of the global financial system also deters illicit financial flows, including to international financial centres, and enhances the ability to detect illicit activities.

40. The current crisis has been compounded by an initial failure to appreciate the full scope of the risks accumulating in the financial markets and their potential to destabilize the international financial system and the global economy. We recognize the need for even-handed and effective IMF surveillance of major financial centres, international capital flows and financial markets. In this context, we welcome the improvement of early warning systems by the relevant international institutions to provide early warning of macroeconomic and financial risks and the actions needed to address them.

41. The ongoing crisis has highlighted the extent to which our economies are integrated, the indivisibility of our collective well-being and the unsustainability of a narrow focus on short-term gains. We reaffirm the principles of sustainable

development and underscore the need for a global consensus on the key values and principles that will promote sustainable, fair and equitable economic development. We believe that corporate social and environmental responsibility are important elements of such a consensus. In this regard we recognize the importance of the 10 principles of the United Nations Global Compact.

**Reform of the international financial and economic system and architecture**

42. This crisis has added new impetus to ongoing international discussions on the reform of the international financial system and architecture, including issues related to mandate, scope, governance, responsiveness and development orientation as appropriate. There is consensus on the need for continued reform and modernization of the international financial institutions to better enable them to respond to the current financial and economic challenges and to the needs of Member States, and to better equip them to strengthen existing monitoring, surveillance, technical assistance and coordination roles to help prevent the occurrence of similar crises in the future, in accordance with their respective mandates.

43. We stress the urgent need for further reform of the governance of the Bretton Woods institutions, on the basis of a fair and equitable representation of developing countries, in order to increase the credibility and accountability of these institutions. These reforms must reflect current realities and should enhance the perspective and voice and participation of dynamic emerging markets and developing countries, including the poorest.

44. We call for an expeditious completion of the reform process of the World Bank's governance and of an accelerated road map for further reforms on voice and participation of developing countries, with a view to reaching agreement by April 2010, based on an approach that reflects its development mandate and with the involvement of all shareholders in a transparent, consultative and inclusive process. We also call for inclusive consultations on further reforms to improve the responsiveness and adaptability of the World Bank.

45. It is imperative that the reformed World Bank emerge with the requisite technical capacities, credit facilities and financial resources needed to assist and complement the efforts of developing countries aimed at achieving their overall development needs.

46. We recognize the importance of strengthening regional development banks, taking into account the interests of all their member countries. It is also important for them to provide medium- and long-term assistance to meet the development needs of their clients. We support measures to enhance the financial and lending capacity of regional development banks. Furthermore, we recognize the importance of other regional, interregional and subregional initiatives and arrangements aimed at promoting development, cooperation and solidarity among their members.

47. We recognize that it is imperative to undertake, as a matter of priority, a comprehensive and fast-tracked reform of IMF. We look forward to this accelerated progress in order to increase its credibility and accountability. We acknowledge the agreement to accelerate the implementation of the package of IMF quota and voice reforms agreed in April 2008. We strongly support completion of the next quota review, which, based on current trends, is expected to result in an increase in the

quota shares of dynamic economies, particularly in the share of emerging market and developing countries as a whole, to be completed no later than January 2011, thus enhancing the legitimacy and effectiveness of the Fund.

48. We reaffirm the need to address the often expressed concern at the extent of representation of developing countries in the major standard-setting bodies. We therefore welcome, as a step in the right direction, the expansion of the membership in the Financial Stability Board and the Basel Committee on Banking Supervision and encourage the major standard-setting bodies to further review their membership promptly while enhancing their effectiveness, with a view to enhancing the representation of developing countries as appropriate.

49. We agree that the heads and senior leadership of the international financial institutions, particularly the Bretton Woods institutions, should be appointed through open, transparent and merit-based selection processes, with due regard to gender equality and geographical and regional representation.

50. The United Nations and the international financial institutions have complementary mandates that make the coordination of their actions crucial. Accordingly, we encourage continued and increasing cooperation, coordination and coherence and exchanges between the United Nations and the international financial institutions. In this regard, we believe that this Conference represents an important step to ensure increased cooperation.

## The way forward

51. We have come together to raise our collective understanding of the impacts of the crisis and to contribute in the fashioning of the global response, in an inclusive manner, with actions at the national, regional and international levels.

52. We will strive to combine our short-term responses to meet the immediate impact of the financial and economic crisis, particularly on the most vulnerable countries, with medium- and long-term responses that necessarily involve the pursuit of development and the review of the global economic system. In this context, we propose the following course of action:

(a) Strengthen the capacity, effectiveness and efficiency of the United Nations; enhance the coherence and coordination of policies and actions between the United Nations, international financial institutions and relevant regional organizations;

(b) Further develop the United Nations development system's comprehensive crisis response in support of national development strategies through a coordinated approach by United Nations funds and programmes, specialized agencies and the international financial institutions at country level. The response must continue to be led by programme countries and, in this context, address vulnerabilities caused or exacerbated by the crisis and further strengthen national ownership. It should build on steps already taken by the United Nations development system, in particular at the country level. We urge the international community to ensure adequate support to the United Nations development system's crisis response;

(c) Explore ways to strengthen international cooperation in the area of international migration and development, in order to address the challenges of the current economic and financial crisis on migration and migrants, taking into account the related work and activities of the United Nations funds and programmes, regional commissions and specialized agencies and of other international organizations, such as the International Organization for Migration.

53. We request the General Assembly and the Economic and Social Council, as well as the United Nations funds and programmes and specialized agencies, to take full advantage of their advocacy role to promote recovery and development of the developing countries, especially the most vulnerable among them.

54. We invite the General Assembly to establish an ad hoc open-ended working group of the General Assembly to follow up on the issues contained in the present outcome document, and to submit a report on the progress of its work to the General Assembly before the end of the sixty-fourth session.

55. We encourage the President of the General Assembly to make the world financial and economic crisis and its impact on development a main theme of the general debate of the sixty-fourth session of the General Assembly.

56. We request the Economic and Social Council:

(a) To consider the promotion and enhancement of a coordinated response of the United Nations development system and specialized agencies in the follow-up and implementation of this outcome document, in order to advance consistency and coherence in support of consensus-building around policies related to the world financial and economic crisis and its impact on development;

(b) To make recommendations to the General Assembly, in accordance with the Doha Declaration of 2 December 2008 (General Assembly resolution 63/239, annex), for a strengthened and more effective and inclusive intergovernmental process to carry out the financing for development follow-up;

(c) Examine the strengthening of institutional arrangements to promote international cooperation in tax matters, including the United Nations Committee of Experts on International Cooperation in Tax Matters;

(d) Review the implementation of the agreements between the United Nations and the Bretton Woods institutions in collaboration with these institutions, focusing in particular on enhancing collaboration and cooperation between the United Nations and the Bretton Woods institutions, as well as on the opportunities for contributing to advancing their respective mandates;

(e) Consider and make recommendations to the General Assembly regarding the possible establishment of an ad hoc panel of experts on the world economic and financial crisis and its impact on development. The panel could provide independent technical expertise and analysis, which would contribute to informing international action and political decision-making and fostering constructive dialogues and exchanges among policymakers, academics, institutions and civil society.

57. We request the Secretary-General to report to the Economic and Social Council on a regular basis on the work of the High-level Task Force on the Global Food Security Crisis.

58. We invite the International Labour Organization to present the "Global Jobs Pact", adopted at the ninety-eighth session of the International Labour Conference, to the substantive session of the Economic and Social Council in July, which intends to promote a job-intensive recovery from the crisis, drawing on the decent work agenda, and to shape a pattern for sustainable growth.

59. We encourage the Inter-Parliamentary Union to continue to contribute to the development of global responses to the crisis.